

**Illinois Credit Union League**

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July 23, 2004

Jennifer J. Johnson  
Secretary  
Board of Governors of the  
Federal Reserve System  
[regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Re: Docket No. OP-1196  
Debit Card Fee Study

Dear Ms. Johnson:

We are pleased to respond on behalf of our member credit unions to the Federal Reserve Board's request for comment on whether the existing disclosures required by the Electronic Fund Transfer Act ("EFT Act") adequately inform consumers of debit card transaction fees imposed by a financial institution that holds the account accessed by the debit card. The Illinois Credit Union League represents over 400 credit unions in Illinois.

The Board requests comment on whether the disclosures required by the EFT Act and Regulation E are adequate and timely with respect to transaction fees charged by the account holding financial institutions for point of sale purchases made by an online PIN-based method.

Regulation E requires that the initial disclosures provided to a consumer when a debit card is issued must include a disclosure of the amount of any transaction fees that will be imposed by the financial institution issuing the debit card. If a transaction fee is increased, Regulation E requires the financial institution to provide notice to each cardholder of any increase in fees at least 21 days prior to the effective date of the change.

In addition, Regulation E requires issuance of a monthly periodic statement setting forth the amount of any transaction fees assessed against the account during the statement period. The Official commentary to Regulation E provides that the fees may be given on the periodic statement "as a total or may be itemized in part or in full."

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We believe the initial disclosures, monthly statement disclosures, and notice of change in fees required by Regulation E provide adequate and timely disclosure of transaction fees. Requiring additional disclosures in an attempt to provide additional notice to consumers that do not choose to review the initial disclosures or monthly statements would result in substantial and unwarranted additional costs to financial institutions.

We appreciate the opportunity to provide our comments on the debit card study. We will be happy to respond to any questions regarding these comments or otherwise discuss our concerns with Federal Reserve staff.

Very truly yours,

ILLINOIS CREDIT UNION LEAGUE

By: Cornelius J. O'Mahoney  
Senior Technical Specialist

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